

Price Thresholds Above Which Full Royalties Are
Due Not Withstanding Volume Suspensions

Deep Water Oil

Deflator		Oil Price Threshold (\$/bbl)		Actual (\$/bbl)
Calendar Year	Implicit Price Deflator for GDP	For DWRRA ¹	For Deep Water Leases Sold in 2001	Average NYMEX Nearby Delivery
1994	96.01	\$28.00		
1995	98.10	\$28.61		
1996	100.00	\$29.16		\$21.99
1997	101.95	\$29.73		\$20.63
1998	103.20	\$30.10		\$14.43
1999	104.65	\$30.52		\$19.26
2000	107.04	\$31.22	\$28.00	\$30.25
2001	109.37	\$31.90	\$28.61	\$25.99
2002	110.66	\$32.27	\$28.95	\$26.10
2003e	112.58	\$32.83	\$29.45	
NYMEX Year-to-Date 2003 Average				\$31.32
Aug -Dec Average Needed to Suspend Relief		\$34.95	\$26.82	
Estimated (e) Threshold Target Price Level		\$32.83	\$29.45	
Gap Between Threshold and Current Average		\$1.51	-\$1.88	

Deep Water Natural Gas

Deflator		Gas Price Threshold (\$/MMBTU)		Actual (\$/MMBTU)
Calendar Year	Implicit Price Deflator for GDP	For DWRRA ¹	For Deep Water Leases Sold in 2001	Average NYMEX Nearby Delivery
1994	96.01	\$3.50		
1995	98.10	\$3.58		
1996	100.00	\$3.65		\$2.50
1997	101.95	\$3.72		\$2.42
1998	103.20	\$3.76		\$2.16
1999	104.65	\$3.81		\$2.31
2000	107.04	\$3.90	\$3.50	\$4.33
2001	109.37	\$3.99	\$3.58	\$4.06
2002	110.66	\$4.03	\$3.62	\$3.36
2003e	112.58	\$4.10	\$3.68	
NYMEX Year-to-Date 2003 Average				\$5.71
Aug -Dec Average Needed to Suspend Relief		\$1.85	\$0.84	
Estimated (e) Threshold Target Price Level		\$4.10	\$3.68	
Gap Between Threshold and Current Average		-\$1.61	-\$2.03	

Shallow Water, Deep Natural Gas

Deflator		Gas Price Threshold (\$/MMBTU)		Actual (\$/MMBTU)
Calender Year	Implicit Price Deflator for GDP	Sale 178 Well Depths >15,000 ft	Sales After 178	Average NYMEX Nearby Delivery
2000	107.04	\$3.50	\$5.00	\$4.33
2001	109.37	\$3.58	\$5.11	\$4.06
2002	110.66	\$3.62	\$5.17	\$3.36
2003e	112.58	\$3.68	\$5.26	
NYMEX Year-to-Date 2003 Average				\$5.71
Aug -Dec Average Needed to Suspend Relief		\$0.83	\$4.62	
Estimated (e) Threshold Target Price Level		\$3.68	\$5.26	
Gap Between Threshold and Current Average		-\$2.03	-\$0.45	

footnote: 1. These price thresholds apply to pre-act leases, certain eligible leases, and leases issued in 2002 and 2003

note: The implicit price deflator for the 2003 GDP is an estimate (e).

Sources: NYMEX - OIL WORLD
www.oilenergy.com/1onymex.htm
www.oilenergy.com/1gnymex.htm

Data for Implicit Price Deflator for GDP:	
2002 I	110.14
2002 II	110.48
2002 III	110.76
2002 IV	111.25
2003 I	111.90
2003 II	112.17
Source: http://www.bea.doc.gov	

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